

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

March 22, 2002 LB 898, 1085

Nebraska income. The third portion that is in LB 1085 is an exclusion from the levy limits applicable to K-12 schools only, and only for the amount that the school district loses in state aid by reason of the passage of LB 898. Now that is not a change in the levy limit. The levy limit remains at \$1. This is an exclusion. And we do have a number of other exclusions that we allow to the levy limit. This one is, again I might note, an exclusion that allows a school district to compensate for the effect of the state aid reduction that we passed yesterday. Now the school district can only access that additional...can only use the exclusion with a supermajority vote of its board. So this isn't...

SPEAKER KRISTENSEN: One minute.

SENATOR WICKERSHAM: ...perhaps an easy decision that is going to be made by the school districts. It's not intended to be an easy decision. It is by a supermajority of the vote of the board. That is the third component of the bill. And with that, I think I would conclude and then finish up opening on the committee amendment on that issue, on the subsequent issue, which is a broadening of the sales tax base.

SPEAKER KRISTENSEN: Senator Wickersham, you're recognized to open on the committee amendments.

SENATOR WICKERSHAM: Thank you, Mr. President. The fourth component of LB 1085 is perhaps the one that will generate the most discussion, and that is a broadening of the sales tax base to include a variety of services. If you wish to examine the table on page 4 of the handout from the committee, you'll see what the proposal...what the proposed items are by the committee. And again referring back to page 3, you'll see the projected net revenues from those changes, about \$28.5 million in the first year, about \$83 million in round numbers in the second year. Now what was the guiding principle in determining whether or not we should recommend to you this broadening of the sales tax base? Well, there are a couple of different considerations. One, we believe that Nebraska's sales tax base can be brought to conformity...or greater conformity with neighboring states. That's the reason you see in the table that